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ABSTRACT

This report offers an analysis of school finance litigation during 1998. It summarizes cases in New Jersey, Ohio, Arizona, Texas, Wyoming, Colorado, New Mexico, and New York. These states were sued due to failure to provide a thorough and efficient system of common schools, ineffective efforts to provide equitable financing to poorer school districts, methods of funding school facilities, and other matters. Only five states have not been sued over school-finance issues: Delaware, Hawaii, Iowa, Mississippi, and Nevada. Historically, school-finance suits have focused on the equity and adequacy of state funding, and the decisions handed down in 1997 and 1998 have followed that pattern. However, in recent years several cases have dealt with other questions such as the quality of facilities or special-education funding. The issues of what constitutes an adequate educational system and how it is defined continue to be the main battleground for distinguishing constitutional from unconstitutional systems. An appendix offers a state-by-state summary of school-litigation cases. (RJM)

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State School Finance Litigation: A Summary and an Analysis

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By Terry N. Whitney, *Senior Policy Specialist*

In 1998 school finance litigation again received considerable attention, with five cases filed by districts in Colorado, Connecticut, New Mexico, Texas and Wyoming. A total of 14 suits currently are pending, (see Appendix A: Litigation Summary 1997-98 for a listing of these cases), and one long-standing case has recently been resolved.

The New Jersey Supreme Court brought to a close a series of cases known as *Abbott vs. Burke* (1-5) on May 22, 1998, by stating, "This decision should be the last major judicial involvement in the long and tortuous history of the state's extraordinary effort to bring a thorough and efficient education to the children in its poorest school districts."

Source: NCSL, October 1998.

The *Abbott* case had meandered through the courts for 28 years. Siding with Governor Christine Whitman's administration, the court noted, "The Legislature's commitment is evidenced by the sound and comprehensive public education that is contemplated by the statute within which these reforms will be effected."

In Ohio, a March 1997 decision found the state's school finance system unconstitutional because "the current legislation fails to provide for a thorough and efficient system of common schools, in violation of Section 2, Article VI of the Ohio Constitution."

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In Ohio, a legislatively approved sales tax increase to benefit schools was defeated by voters in May.

During the 1998 legislative session, the General Assembly responded to the court's decision by approving a $5.24 billion school appropriation bill for FY 1999. However, the measure did not contain revenues to fund it. After significant debate, numerous late night sessions and the use of a 147-year-old provision of the Ohio Constitution, the legislature approved a 1-cent hike to the state sales tax and referred the measure to the voters for a May 5 election. Voters defeated the measure by a sound 4-1 margin. State leaders have not yet figured out what they will do next as a result of the vote. Interestingly, although the court's one-year deadline (March 24) has come and gone, the court has not required additional legislative action.

The Arizona Supreme Court nullified the Legislature's third attempt to equalize school construction funding in June. Lawmakers approved a bill that would have required the state to spend $372 million a year to build, equip and maintain public schools. It replaced the tax-financed bonds to build school facilities with state money. The court gave the Legislature 60 days to come up with a better plan or risk a previously determined cutoff of all funding to public schools. A special session was called in July, and legislators agreed on a revised version of legislation that had been introduced during the regular session. That plan, "Students First," calls for the state to contribute $374 million in the first year to build, repair and equip K-12 schools. The new plan eliminates an "opt-out" provision, but still allows school districts to go to their voters to request limited bonding to augment state money. Upon the adoption of the bill, school districts asked the Supreme Court to keep the suit open while new minimum standards for facilities are developed. The Supreme Court denied the motion without explanation, effectively closing the case, which had been filed in 1994.

Litigation in Texas and Wyoming has its origins in previously argued cases. In 1995, the Texas Supreme Court approved the Legislature's fifth attempt to craft a constitutional school finance system. That plan (SB 7) was initially adopted in 1993 and required high-wealth school districts (defined as those with property wealth per weighted pupil in excess of $280,000) to reduce their wealth to $280,000 using one of five options to equalize property wealth.

Districts could use any combination of five suggested actions to equalize wealth: 1) consolidate with another district, 2) detach property from the district's rolls and annex it to another district for taxing purposes, 3) purchase attendance credits from the state, 4) contract for the education of nonresident students or 5) make arrangements for tax base consolidation with another district or districts. Options 3, 4 and 5 require the authorization of school district voters.

More than four years later, in 1998, a group of poor districts refiled suit in Texas, claiming that certain actions the Legislature had taken to mitigate the effects of recapture violated the state Supreme Court's original decision. No hearing date has been set.

Wyoming plaintiffs returned to court to challenge the funding formula that the Legislature

put in place following a state-funded education cost study and the work of six separate legislative committees to reform a funding system that was ruled unconstitutional in 1995.

The Colorado and New Mexico suits follow the *Roosevelt* case in Arizona and challenge the states' methods of funding school facilities. The Connecticut suit was filed by the families of seven public school children and 12 cities and towns. It has been rare for municipalities to be party to school finance litigation. Plaintiffs argue that funding caps enacted by the legislature in recent years to hold down state spending have adversely affected them. This suit comes 21 years after the state Supreme Court first ruled Connecticut's finance system unconstitutional (see *Horton vs. Meskill*, 1977).

In examining the numerous cases that are pending or that have been decided recently, no recognizable trends can be found. One exception would be that there seems to be no end in sight to the numbers of these suits. Only five of the 50 states, commonwealths and territories have not been sued: Delaware, Hawaii, Iowa, Mississippi and Nevada.

Historically, school finance suits have focused on the equity and adequacy of state funding, and the decisions handed down in 1997 and 1998 have followed that pattern. However, in recent years several cases have dealt with other questions such as the quality of facilities, special education funding or the treatment of different types of school districts. For example, rural communities in Alaska are not required to contribute to school operating costs and must only contribute 2 percent of school construction costs to receive state building grants. Municipalities must contribute comparatively large amounts to both operating and construction costs. As a result of this policy, officials from a municipal/borough school system filed suit for relief. The Alaska Supreme Court affirmed a state judge's decision that the plaintiffs failed to show that the state's system translated into disparities in educational opportunities for students.

Another interesting case is developing in New York state. A pending suit in the court of appeals represents the first time a school finance case has been brought under Title VI of the U.S. Civil Rights Act of 1964. Since the New York case was filed, another was brought in Philadelphia by plaintiffs who claim that the state racially discriminates against the city school system as a result of a state finance system that provides "inequitable funding to a predominately minority student population." The Pennsylvania case has been filed in U.S. federal district court, unlike the majority of state school finance cases that are filed in state courts. The New York and Pennsylvania cases are unique because plaintiffs are basing their claims on the landmark 1964 Civil Rights Act enacted by Congress to address public housing, employment and civil accommodations discrimination.

What constitutes an adequate educational system and how it is defined are continuing issues.

The issues of what constitutes an adequate educational system and how it is defined continue to be the main battleground for deciding constitutional from unconstitutional systems. Historically, where the system has been upheld, courts have generally said funding for a minimal basic education system was sufficient. Where it has been invalidated, courts have called for funding to support better quality systems.

Appendix A. Litigation Summary 1997-98

State/ Date	Case Summary/ Case Reference	Status/Details
Alabama January 1997	A judgment in favor of the plaintiffs was given in March 1993 by then circuit court Judge Eugene Reese. Since then, Reese ran for the Supreme Court and lost, the governorship has changed twice, the deadline for compliance with the court order has been set back three times and the Legislature has not yet funded a reform plan as required by Judge Reese's opinion. *Alabama Coalition for Equity Inc. vs. Hunt,* CV-90-883-R *Harper vs. Hunt* CV-91-0117-R	In January 1997, the state Supreme Court affirmed Judge Reese's opinion and gave the Legislature until January 1998 to adopt a reform plan. In January 1998, the Supreme Court affirmed the judgment in the liability phase, remanded the case to the trial court and gave the Legislature and the governor, "a reasonable time to comply with the judgment and liability order." The superintendent of education is developing recommendations and revisions to the formula and hopes to have his report ready by December 1998 for submission to the Legislature and the governor by January 1999. Additionally, the Alabama Association of School Boards has filed a petition with the trial court requesting a preliminary and permanent injunction to stop the expenditure of funds from the education trust fund until K-12 public school students are adequately funded. A hearing in Montgomery Circuit Court was scheduled for July 2, 1998. The liability order issued on March 31, 1993, called for both equity and adequacy.
Alaska January 1997	Unlike most finance cases, the issue facing the Supreme Court did not involve a determination of equity nor adequacy. The Matanuska-Susitna Borough school district and several residents challenged the school funding policy in 1986, arguing that different treatment of rural and city districts violated the right of equal protection under the state constitution. *Matanuska-Susitna Borough School District vs. State of Alaska,* Supreme Court No. S-5513, Superior Court No. 3PA-86-2022 CIV	The Alaska Supreme Court upheld a law that gives a greater share of state money to regional school districts than to municipal or borough systems. The high court's opinion affirmed a state judge's decision that the plaintiffs failed to show that the state's system translated into disparities in educational opportunities for students. At the close of the 1998 legislative session, legislators passed a law changing the way hundreds of millions of dollars are divided among Alaska school districts. The bill shifts more of the roughly $660 million in state education funding from rural areas to the urban districts.

State/ Date	Case Summary/ Case Reference	Status/Details
Arizona July 1998	The Arizona Supreme Court formally ended court intervention on the school construction finance issue on July 29, 1998. *Shofstal vs. Hollins*, (1973) *Roosevelt Elementary School District #66 et al. vs. Lisa Graham Keegan et al.*, CV-91-13087 *Roosevelt Schools vs. Bishop*, 877 P.2d 806 (1994)	To date, the only school finance case won by plaintiff school districts based solely on the condition of school facilities and the method by which state aid is distributed. The state Supreme Court closed the Roosevelt suit on July 29 after approving the Legislature's fourth attempt to craft a constitutional plan for funding school capital outlay. The "Students First" plan creates a $374 million per year state-financed system for building, repairing and equipping schools. The bill also allows school districts to continue issuing local revenue bonds, if school boards and voters approve them, to augment the state money. Adequate school construction standards are to be drafted by April 30, 1999, by a committee to be appointed by Governor Jane Hull.
Arkansas August 1998	Plaintiffs alleged statutory funding was unconstitutional and violated state constitutional requirement for "general, suitable and efficient education." Pulaski County Judge Annabelle Clinton gave the Legislature two years to change the funding system. The legislature revamped the system in 1995 and required a minimum millage to be levied. Voters approved a constitutional amendment (Amendment 74) requiring a statewide millage in 1996. Plaintiffs filed an amended complaint in 1997 challenging the new system. *Dupree vs. Alma School District*, 651 S.W.2d 90 (1983) *Lake View School District vs. Tucker*, Case No.92-5318 *Lake View School District vs. Mike Huckabee, Governor of the State of Arkansas et al.*, Case No. 92-5318	District Judge Collins Kilgor ruled August 17 in favor of the state by granting the defendants' motion to dismiss the suit and denying the plaintiffs request for attorney fees. In his opinion, Judge Kilgor wrote, "The very nature of the case has been transformed by new statutes and a constitutional amendment." "... there is a presumption of constitutionality that the court recognized by order entered November 18, 1996, and the plaintiffs do not state any fact to support an argument that there is not a rational basis for the current legislation..." The state initiated a new funding formula during the prior biennium in response to school finance litigation.

State/ Date	Case Summary/ Case Reference	Status/Details
Colorado January 1998	Plaintiffs have included four claims for relief in their complaint. In addition, they also have asked the court to determine whether education is a fundamental right under the Colorado Constitution. *Giaradino vs. Colorado State Board of Education*, Case No. 98-CV-0246 *Lujan vs. Colorado State Board of Education* (1982)	Oral arguments were scheduled for August 28, 1998.
Connecticut July 1996 March 1998	The suit charged that the state violated its constitution by limiting the educational opportunities of inner city youths. *Shawn Johnson vs. Rowland*, No. CV-98-0578837 Plaintiffs contend that the state's failure to fully fund the ECS formula it adopted in 1988 violates the constitutional provision requiring children to have an equal educational opportunity regardless of where they live. *Horton vs. Meskill* (1977) *Sheff vs. O'Neil*, 42 Conn. Supp. 172 (1993)	The state Supreme Court reversed a lower court ruling in July 1996, and ruled in favor of 17 Hartford area school children. The most recent litigation was filed on March 18, 1998, in superior court for the judicial district of Hartford/New Britton. Seven students and 12 cities/municipalities are plaintiffs.

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Idaho	Two suits were filed by different groups of school districts in 1990, arguing that the state failed to provide a "uniform and thorough" system of public education as required by its constitution. One group focused its complaint on the total amount of money spent, while the other stressed spending disparities. The cases were consolidated, but the state supreme court threw out the equity claims in 1993 after the Legislature revised the aid formula and approved a $92 million increase for public education, the largest increase ever. The group of districts pursuing the equity claim withdrew from the suit. The remaining claims were ruled moot in December 1994 by a district court judge in light of the substantive changes made to the finance formula by the Legislature. *Thompson vs. Engleking*, (1975) *Idaho Schools for Equal Educational Opportunity (ISEEO) vs. Idaho Legislature*, Case No. 93882, Idaho Sup. CT. 1993, Op. No. 28 at 17	The ISEEO suit was revived in March 1996 when the state Supreme Court overturned the district court's dismissal, saying that the issue of "thoroughness is a matter a great fundamental importance." District court allowed plaintiffs to file amended complaint. State filed motion to dismiss.
Louisiana March 1997 June 1998	In what may be the briefest opinion issued at the appellate level, the 1st Circuit Court of Appeals in Baton Rouge dismissed the suit and issued a one-sentence opinion. Essentially, the judges ruled that it is not the courts that should have jurisdiction in determining school funding, but the Legislature and the state board. Plaintiffs appealed to the Louisiana Supreme Court. The American Civil Liberties Union and the Orleans Parish school board filed the suit in 1992. Although it did not seek a specific dollar amount for the schools, the ACLU sought a court order for a plan that would provide an adequate and equitable education to children statewide. *Miriam S. Charlet et al. vs. State of Louisiana*, No. 379-562	The Supreme Court returned the case to the appellate court because the court had failed to provide an explanation for its prior decision dismissing the suit. The court of appeals ruled on June 29 that the state's constitution requires only "minimum," not "adequate," state aid to public schools. This ruling marked the second time in 15 months that the appellate court had dismissed the *Charlet* lawsuit, which alleged the state did not adequately or equitably fund its schools. The unanimous ruling reversed a lower court decision in favor of the school districts.

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Maryland April 1997	This class action suit claimed that Maryland has denied public school children in Baltimore a "thorough and efficient education" as required by the state constitution because of the district's limited financial resources. *Hornbeck vs. Somerset County,* (1983) *ACLU vs. Maryland Board of Education*	A settlement was reached in April 1997 between the governor, the legislature, the state board of education, the superintendent of education and the plaintiffs. The plan will emulate the Chicago public schools' governance structure. A CEO of the Baltimore city school district will be appointed, and the mayor and governor jointly will appoint a new school board. Baltimore city schools will get $33 million of new money in FY 1998 and $50 million for each of the subsequent four years thereafter. The legislature also will make a minimum of $10 million available for school construction.
Minnesota	Two separate lawsuits are pending. The St. Paul public school district filed suit in Ramsey County District Court on September 18, 1996, arguing that Minnesota has provided insufficient funding to adequately educate the city's increasing population of students living in poverty, those with limited English, minority students and other special needs students. The St. Paul suit was filed exactly one year after the NAACP filed a class action suit arguing that Minnesota has failed to provide an adequate education for Minneapolis public school students because of the number of low-income and minority students in that district compared to neighboring suburban districts. The St. Paul school district asked to join the NAACP lawsuit; however, the request was denied. *Skeen vs. Minnesota,* (1993) *Minneapolis Branch of the NAACP et al. vs. State of Minnesota et al.*, No. 95-14800	A motion to dismiss was denied the state in the St. Paul case, and a November 1998 trial date was set. The NAACP suit is pending in the Hennepin County District Court. Although a February 1999 trial date has been set, parties are actively exploring a settlement agreement through mediation, using facilitators from outside the state. Additionally, on February 24, 1998 16 parents and 31 children filed a companion case to the already filed case based on the theory that the state has violated the due process clause of the Minnesota Constitution by forcing children to attend inadequate schools. Although the case was filed in state court, the metropolitan council has attempted to have the case moved to federal court. The U.S. Supreme Court remanded the case to the 8th Circuit for reconsideration. The 8th Circuit Court of Appeals issued a June 1998 decision confirming previous opinion. Plaintiffs plan to file a writ of certiorari petition with the U.S. Supreme Court in October.

State/ Date	Case Summary/ Case Reference	Status/Details
New Hampshire December 1997	The Supreme Court gave the legislature "reasonable time to effect an orderly transition to a new system," requiring that the new system be in place as of the 1999 tax year. *Claremont School District et al. vs. Governor et al.* (1997), No. 97-001	Finding the education finance system inadequate and unconstitutional, the New Hampshire Supreme Court ruled that education is a fundamental right and the property tax levied to fund it is, by virtue of the state's duty to provide a constitutionally adequate public education, a state tax and, as such, is disproportionate and unreasonable in violation of the New Hampshire Constitution. Governor Jeanne Shaheen has given the legislature her plan to comply with the court's decision. The House and Senate are debating several proposals, including the governor's.
New Jersey May 1998	The court agreed with Governor Christine Todd Whitman's plan to bolster urban academic achievement. The plan defines a "thorough and efficient" education by core curriculum and content standards that have been promulgated and adopted through state department of education rules and regulations. *Robinson vs. Cahill* (1973), Docket No. L-18704-69 *Abbot vs. Burke* (V), No. A-155-97	The state Supreme Court signed off in May 1998 on the Whitman administration plan to improve education in the state's urban elementary districts (plaintiffs). The plan "costs out" the content standards and funds each district at the determined amount. Additional components of the plan will require urban elementary schools to reexamine their curriculum and make wholesale changes to put more emphasis on reading, writing and language arts. The court also: • Endorsed the state's efforts to provide all-day kindergarten and half-day preschool for 4-year-olds. • Approved the state's $2 billion plan to repair and expand school buildings in urban districts, although the Legislature has not yet appropriated these funds.
New Mexico January 1998	Plaintiffs allege that the Zuni district is a public school district within the boundaries of the Zuni Pueblo reservation. Because it is located within a federally recognized Indian reservation, the district has an insufficient tax base to raise any significant funds for capitol improvements not funded through the state equalization formula. *The Zuni Public School District; Skylar Martinez by and through his next friends and parents et al. vs. State of New Mexico,* Case No. CV98-14-II	A June hearing was held on the state's motion to dismiss. Motion was denied from the bench.

State/ Date	Case Summary/ Case Reference	Status/Details
New York	A New York court of appeals judge in June 1995 denied the state's motion to dismiss the complaint, ruling that the suit brought by numerous students, parents, teachers and community school boards had stated a viable cause of action under the education article in the New York Constitution and Title VI of the 1964 Civil Rights Act. *Board of Education, Levittown vs. Nyquist,* (1982) *Campaign for Fiscal Equity Inc. vs. State of New York*	Case is in "prediscovery phase" in the New York State Court of Appeals (New York's highest court).
North Carolina	Five school systems, including Cumberland, Hoke, Robeson, Vance and Halifax, are challenging the state's school funding system. Plaintiffs claim that they have a right to adequate educational opportunities, which is being denied them by defendants under current school funding. Plaintiff-intervenors who also are party to the suit include students and their parents or guardians from "the relatively large and wealthy school systems of the city of Asheville, and of Buncombe, Wake, Forsyth, Mecklenburg, and Durham counties and the boards of education for those systems." *Britt vs. North Carolina Board of Education,* (1987) *Leandro vs. State of North Carolina; State Board of Education,* Case No. 179PA96	Plaintiffs originally brought this action in Halifax County. Defendants moved for a transfer of venue to Wake County, which was granted. The state Supreme Court ruled in 1997 that the state has an obligation to provide, "a sound basic education" to all students. According to legislative fiscal office staff, the case currently is in the "discovery" phase in superior court.
Ohio March 1997	By a narrow 4-3 margin, the Supreme Court ruled that Ohio's system of financing its schools is unconstitutional. The court stayed the effect of the decision for 12 months. The justices sent the case back to the Perry County trial court, which had overturned the system in July 1994, to evaluate the legislature's actions. An appeals court had reversed the trial court's decision in 1995. (No. 94-CA-477). *Board of Education of the City School District of Cincinnati vs. Walter,* (1979) *DeRolph et al. vs. The State of Ohio,* No. 95-2066	The state formula guarantee in 1991 was $2,636 for every pupil, and will rise to $3,851 in school year 1998-99. Additionally, in FY '96, spending for nearly 73 percent of Ohio's districts fell within the $4,000 to $5,500 range. The legislature has approved a $5.24 billion school appropriations bill for FY 1999; however, additional legislation will need to be adopted to comply with the Supreme Court's March 1997 order.

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Pennsylvania July 1998	This suit was filed in 1991. The plaintiffs claim that Pennsylvania's basic education funding system violates the education clause of the Pennsylvania Constitution because it does not provide a "thorough and efficient system of public education for the children of the commonwealth," and that the state's funding scheme deprives them of the equal protection of laws guaranteed by both the state and federal constitutions. *Dansen vs. Casey,* (1979) *Pennsylvania Association of Rural and Small Schools vs. Casey,* No. 11M.D.1991	Decision rendered July 9, 1998, by Commonwealth Court Judge Dante Pellegrini. He ruled that school funding is a legislative function and that the plaintiffs had not proved that state funding was inadequate. Case will be appealed directly to the state supreme court. Of 501 state school districts, 218 are plaintiffs in the PARSS suit.
South Carolina	Plaintiffs allege inequitable and inadequate funding by the state, creating inequitable tax burdens with poor school districts paying higher disproportionate shares of local taxes. *Richland County vs. Campbell,* 364 S.E. 2d 470 (S.C. 1988) *Richland County vs. State of South Carolina; David M. Beasley, Governor, et al.,* Case No. 93-CP-31-169 *Allendale School District et al. vs. State of South Carolina,* Docket No. S.CT-97-266	Case was argued in front of the South Carolina Supreme Court in October 1998. A decision is expected at any time.
Tennessee July 1998	Plaintiffs alleged that the state is in violation of the equal protection and education clauses of the state constitution because of disparities in expenditures among school jurisdictions. *Small School Systems et al. vs. McWherter et al.,* Case No. 88-1812-II S.C.T. No. 01-501-9209-CH-00101	Plaintiffs filed a motion on July 8 for order requiring equalization of teacher salaries. Plaintiffs allege that granting of order would be consistent with the ruling of the Tennessee Supreme Court in 1993 and that the failure of defendants to equalize teachers'salaries substantially impairs the objectives of the plan embodied in the Basic Education Program (BEP). The Tennessee General Assembly adopted BEP in 1992 and funded it by an increase in the state sales tax rate from 5.5 percent to 6 percent. The BEP became the state's key funding mechanism to equalize the distribution of state education dollars. The six-year phase-in of the formula adopted as a part of 1992 legislation was completed in 1997-98.

State/ Date	Case Summary/ Case Reference	Status/Details
Texas June 1998	Suit was filed under the *Edgewood V* case, alleging that the state has taken actions that mitigate the Supreme Court's decision in 1995. Specifically, plaintiffs claim that there has been persistent and progressive erosion of the equity and efficiency standards established in the *Edgewood IV* decision. The plaintiffs are a group of school districts that were plaintiff-intervenors in the previous case. *Rodriquez vs. San Antonio ISD*, (1973) *Edgewood vs. Bynum*, (1987) *Kirby vs. Edgewood ISD*, (1988) *Edgewood ISD vs. Kirby*, (1989) *Edgewood vs. Meno (V)*, (1995)	The Texas Legislature meets biennially and will be back in session as of January 1999.
Vermont February 1997	The American Civil Liberties Union, on behalf of two students, two school districts, and five towns, brought this case. "The current system for funding public education in Vermont, with its substantial dependence on local property taxes and resultant wide disparities in revenues available to local school districts, deprives children of an equal educational opportunity in violation of Vermont's constitution." *Brigham vs. State*, No. 96-502	The Vermont Supreme Court ruled that the state's school-funding formula was unconstitutional. "We hold only that to fulfill its constitutional obligation the state must ensure substantial equality of educational opportunity throughout Vermont." Adopted by the legislature in June 1997, Act 60 makes school taxes a function of income, creates a state school tax at a basic rate of $1.10 per $100 of assessed value, establishes a per-pupil block grant and neutralizes community wealth as a factor in school spending through utilization of an equalized yield funding approach. Several suits have been filed since Act 60's adoption, challenging the legislature's authority to implement the act.

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West Virginia	Original case was decided in 1982, at which time the funding system was deemed to violate the state constitution's requirement for a "thorough and efficient system of free schools." The plaintiff's attorney refilled the case in 1995 because the state had not gone far enough to comply with Judge Recht's 1982 opinion. *Pauley vs. Bailey*, (May 1982) *Pauley vs. Kelly*, (1984) *Tomblin vs. Gainer*, Civil Action No. 75-1268	As part of the 1982 decision, Judge Recht wrote a "master plan" so exhaustively detailed that it even outlined the appropriate square footage for classrooms and the proper acreage for school facilities. At issue is whether Recht's list of mandated school resources is an outdated yardstick for measuring quality in education. Two hearings were held in 1998 (April and July). An expert, Dr. Richard Salmons, was hired to advise the court. The state filed joint motion to reconsider the prior orders of the court on August 17, 1998 (HB4306 (1998)). The West Virginia Education Association (WVEA) intervened as a plaintiff.
Wisconsin	Nearly 100 school districts have sued the state, claiming its annual distribution of roughly $2 billion in aid is unfair because it exacerbates funding inequalities. *Kukor vs. Grover*, (1989) *Vincent et al. vs. Voight et al.*, Dane County Circuit Court, No. 95-CV-2586	The case now is pending in the appellate court. Briefs were filed in January 1998. Wisconsin now picks up to two-thirds of the state/local revenue portion needed to cover K-12. The Legislature's Special Committee on the School Aid Formula submitted its report in September 1997 and made various recommendations to the Joint Finance Committee. Among the recommendations accepted were raising local revenue caps by an inflationary figure, allowing lower spending districts to spend more money under the revenue caps, adding a formula provision for declining enrollment, and allowing districts to carry over the portion of the revenue cap that is not used. The Legislature added money for the ongoing SAGE early grade class size reduction program.

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Wyoming	The Supreme Court issued its opinion in *Campbell County School District vs. State of Wyoming* on November 8, 1995, affirming the district court's decision that the municipal divisor, recapture and optional mills features of the school finance formula were unconstitutional. A continuation of the *Campbell County* suit was filed following the June 1997 special session. The new litigation involves the five original districts and a group of small schools that have filed as plaintiff-intervenors, as well as one district that has raised hold-harmless objections. The second phase of trial started August 17, 1998. That trial will determine whether the level of funding provided under the reform plan approved by the Legislature this year is adequate. *Washakie County School District No. 1 vs. Herschler*, No. 5145 *Campbell County School District vs. State of Wyoming*, 1995 WL 654524 (Wyo.)	As directed by the court, the state has completed an extensive study of its K-12 finance system that includes a regional cost of education index and cost of a "basket" of educational goods and services to which each Wyoming student is entitled. A new trial was held in December 1997 by the district court to hear complaints raised by two dozen school districts and the Wyoming Education Association regarding formula changes made during a special session of the Legislature. District Judge Nicholas Kalokathis ruled that the state had failed to prove it had provided enough money to ensure each student would receive the court-ordered basket of educational goods and services. Between the special session and the 1998 legislative session, the Legislature adopted the following changes to the school finance formula: small/necessary schools adjustment, school maintenance provision, cost of living and transportation adjustments. A number of significant issues are left to be dealt with during the 1999 session, including funding of capital construction and the special student population (at-risk, limited English students).

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